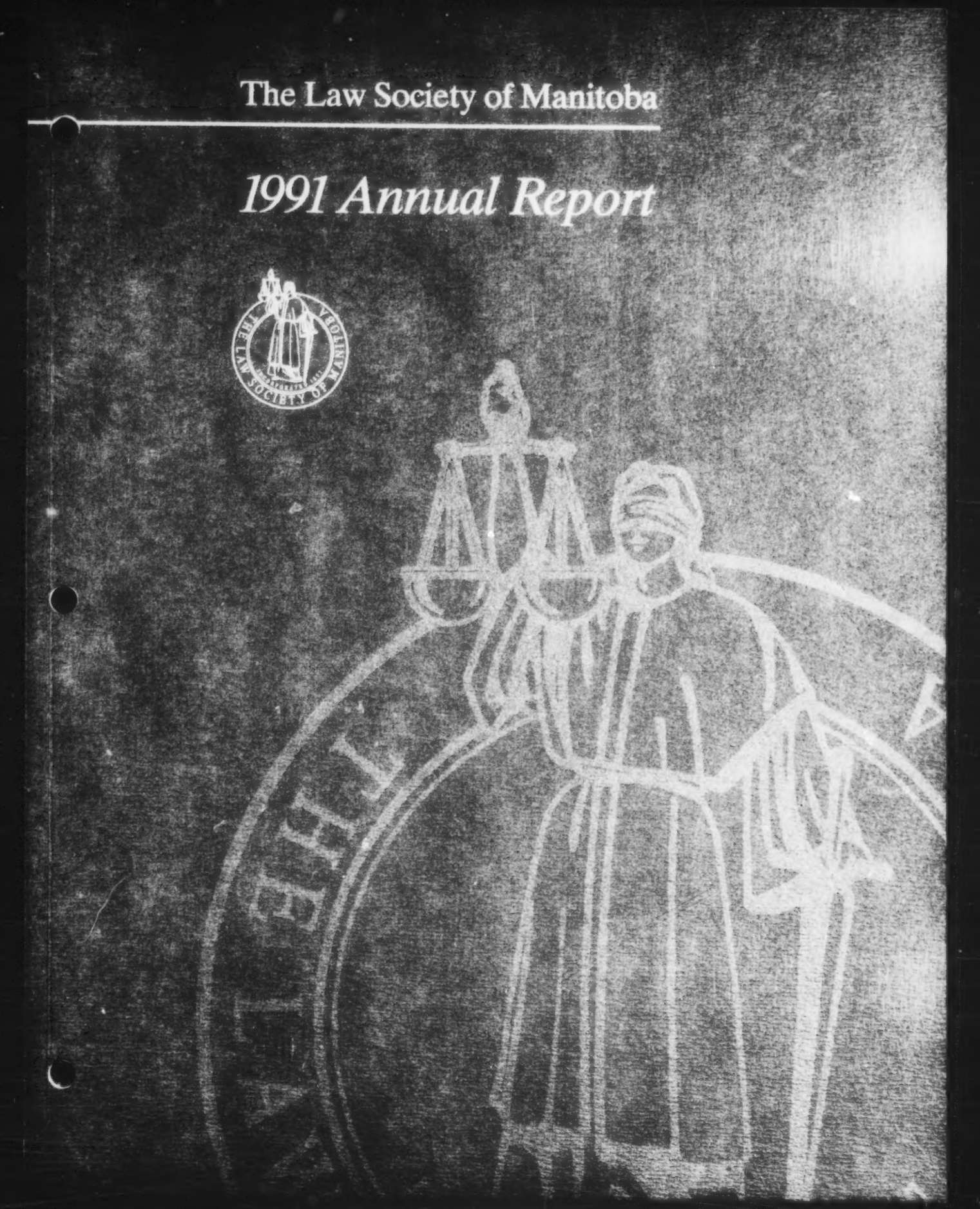
The Law Society of Manitoba

1991 Annual Report



This report covers the practising year

April 1st, 1990 to March 31st, 1991

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BENCHERS

Officers

(Appointed May, 1990)

President: Colin R. MacArthur, Q.C.
Vice-President: Donald M. Little
Past President: John M. Scurfield, Q.C.

Benchers elected for a two year term on May 2, 1990

Winnipeg Electoral District:	Douglas N. Abra	Bruce H. Miller, Q.C.
	Laurie P. Allen	Marc M. Monnin
	Norman A. Cuddy	M. Alexandra Morton, Q.C.
	Richard K. Deeley	Brian A. Pauls
	Robert A. Dewar	Robert L. Pollack
	Jeffrey Gindin	Richard G.S. Shead
	Barbara M. Hamilton, Q.C.	P. Colleen Suche, Q.C.
	Bryan D. Klein	J.F. Reeh Taylor, Q.C.
	Colin R. MacArthur, Q.C.	Douglas G. Ward
	D'Arcy C.H. McCaffrey, Q.C.	Gavin M. Wood
Eastern Electoral District:	Gerald C. Hawranik	John E. Neufeld
Central Electoral District:	Gary R. Gilmour	Brock G. Lee, Q.C.
Western Electoral District:	John H. Combs	Lawrence R. McInnes
	Jasdev S. Grewal	Norman H. Sims
	Donald M. Little	
Dauphin Electoral District:	Eric B. Irwin	John A. Menzies
Northern Electoral District:	Lore M. Mirwaldt	Robert W. Morrison
Lay Benchers:	Anita Neville	William Shead
	James Toal	Val Werier
	(appointed for a two year term)	
Faculty Benchers:	Dean Roland Penner, Q.C.	Professor David Deutscher
	(appointed for a two year term)	
University Bencher:	Stephen Reich	
	(elected for a one year term ending May, 1991)	
Bar Admission Student Bencher:	Margaret Wiebe	
	(elected for a one year term ending September, 1991)	

Life Benchers

Winnipeg Electoral District:	Judge F.D. Allen	G.T. Haig, Q.C.
	R. Anderson	A.D. MacInnes, Q.C.
	D.G. Baizley, Q.C.	H.B. Monk, Q.C.
	G.G. Brodsky, Q.C.	Hon P.S. Morse
	H. Buchwald, Q.C.	E.W. Olson, Q.C.
	A.L. Campbell, Q.C.	C. Pappas, Q.C.
	J.M. Chapman, Q.C.	A.A. Rich, Q.C.
	J.G.B. Dangerfield, Q.C.	P.W. Schulman, Q.C.
	Hon R.G.B. Dickson	J.M. Scurfield, Q.C.
	I. Dorfman, Q.C.	Hon R.J. Scott
	K.B. Foster, Q.C.	Hon V. Simonsen
	D.G. Frayer, Q.C.	A. Sweatman, Q.C.
	M.H. Freedman, Q.C.	D.A. Thompson, Q.C.
	Hon G.R. Goodman	H. Walsh, Q.C.
	Judge J.P. Guy	H. Weinstein, Q.C.
Central Electoral District:	Hon J.A. Duncan	C.P. Sing
Western Electoral District:	F.O. Meighen, Q.C.	D.D. St. John, Q.C.

Ex-Officio Benchers

Hon. Kim Campbell — Hon. James McCrae

Law Society Staff

Chief Executive Officer - Deborah J. McCawley, Q.C.
Deputy Chief Executive Officer - Donald B. Macri
Counsel - Jannine M. LeMere
Discipline Administrator - Dianna J. Scarth
Assistant Discipline Administrator - Debra Poskar (from March 4, 1991 - Term Position)
Comptroller - Ryan Sasaki
Auditor-Inspector - Gordon Jones
Assistant Auditor-Inspector - John McFarlane
Paralegal - Beverley Messel (from April 23, 1990)
Secretary to the Benchers - Coleen Liewicki
Secretary - Rebecca de Castro
Secretary - Ellie Turner
Secretary - Patricia Wright
Secretary - Jennifer Tribula
Secretary - Hazel McKague
Secretary - Pat Stepanuik
Receptionist - Lorraine Hagen

Legal Studies Department

Director - Freda Steel
Assistant Director - Eve Finnbogason
Publications Editor - Ellen Henry and Avis Raber (from March, 1991)
"Bridging the Gap" Program Coordinator - Susan Billinkoff
Program Coordinator and Registrar/Secretary - Anna Faulkes
Secretary - Lynn Flynn

MEMBERSHIP

Sixteen hundred and ninety-one certificates were issued for the practising year ending March 31, 1991.

The active membership as of March 31, 1991, stood as follows:

In Metropolitan Winnipeg, practising members	1403
In Manitoba, other than Metropolitan Winnipeg	213
Outside Manitoba, members holding practising certificates	64
	1680

Members paying the special non-practising fee:

In Metropolitan Winnipeg	96
In Manitoba, other than Metropolitan Winnipeg	13
Outside Manitoba	161
	270

The number of practising members in Manitoba as of the 31st of December in 1932 was 603. The figures for other years are as follows:

1950 - 551	1974 - 837	1983 - 1,304
1955 - 636	1975 - 910	1984 - 1,336
1965 - 683	1976 - 967	1985 - 1,387
1966 - 702	1977 - 1,105	1986 - 1,483
1968 - 704	1978 - 1,083	1987 - 1,526
1970 - 723	1979 - 1,169	1988 - 1,548
1971 - 746	1980 - 1,213	1989 - 1,609
1972 - 776	1981 - 1,252	1990 - 1,635
1973 - 795	1982 - 1,282	

and as of March 31, 1991 - 1680

In addition to members paying annual fees there are many who are not in active practice whose names remain on the Rolls. Some hold judicial appointments or official positions, some are in other professions or businesses, many are practising in other Provinces and others have retired.

The following were granted permission by the Law Society of Manitoba to appear before the Courts in Manitoba on an occasional appearance:

John Bassie, Q.C.
Brian R. Burrows
Colin L. Campbell
J. Darryl Carter
Bruce R. Fraser
Edward L. Greenspan, Q.C.
William S. Grodinsky
Alistair B. Johnston
Paul S.A. Lamek, Q.C.
Roderick A. McLennan, Q.C.
Charles M. Norris
John P. Peacock, Q.C.
Daniel G. Pole
Robert A. Sigurdson
Kenneth W. Wasylyshen
John C. Will

The following members were called to the Bar and admitted as solicitors during the period under review:

Kenneth E. Andrews
Gail S. Asper*
Jeff A. Baigrie
Hardev S. Bains
Brian R. Bell
Dave R.T. Boyechko
Steven W. Brennan
Bradley J. Brooks
Karen A. Burwash
Kevin A. Cadloff*
Donald I. Campbell
Gurdeep S. Chahal
Arthur M. Chapman
Kimberley A. Clarke
Katherine E. Clune
Orvel L. Currie
Louise M. Dowhan Bertouille
Jonas G. Dubas
Frank A. Dubenski
Carmele N.M. Duguay
Tracey L. Epp
David W. Eryou*
Keith Ferbers
Mark W.J. Ferbers
John S. Fergusson
Elizabeth A. Flynn
Douglas J. Forbes
Murray W. Froese
Leslie D. Gergely
Valerie J. Gilroy
Kenneth T. Greenhalgh
Dorothy S. Guttormsson
Michael E. Guttormson
Martin Hak
Kevin E. Hannah
Larry M. Hodgson
Joan M. Holmstrom
Donna L. Janovcik
Darlene P. Jonsson
Jamie A. Kagan
Sarena Kaminer
Leala R.B. Katz
Irene M. Kavanagh
Sharon E. Kravetsky
Darrell A. Kreel*
David J. Kroft
Royden W.D.R. Kropp
Maria M. Lang
Victor K. Lee
Howard G. Loeppky*
Indra L.C. Maharaj
Eva E. Marciniak
John A.McAmmond
Karen B. Molle
James R. Nadeau
Jo-Ann S. Natuik
Linda F. Neilson
Jeffrey B. Norton
Donald K. Paterson
Philip P. Pauls
Bryan J. Peters
Ingrid E. Pflug
Sandra D. Phillips
Richard C.M. Porcher
Wendy D. Post
Clifford G. Proudfoot
Debra M. Ram*
Keith A. Regehr*
Renald L.J. Remillard
Edward A. Rennie
Edward G. Rice
Michael D. Richards
Pascale-Sonia Roy
Darren M. Sawchuk
Lyndon R. Schindel
Priti Shah
Randolph G. Smyth
Rhonda J. Spivak
Millard G. Tramley
Matthew D. Turner
Robert L. Tyler
Carolyn M. Van Der Linden
Roxroy O.O. West
Trevor J. Wiebe
Kevin T. Williams
Colleen L. Wilson

* denotes transfer

The Benchers record with regret the death of the following members during the period under review:

Hyman Altman, Q.C.
Gary D. Ball
Alan B. Beaven
Joseph J. Chasanoff
Joseph R. Crawford
Durward A. Duncan, Q.C.
The Hon. Gordon C. Hall, Q.C.
G. Sydney Halter, O.C., Q.C.
Manly Isaacs
James M.B. Killey
Joseph K. McLaughlin
Wilson E. McLean, Q.C.
William H. Milner
Kenneth Numerow
Shirley B. Olson
Walter T. Patterson, Q.C.
The Hon. Cecil B. Philp, Q.C.
Laurier A. Regnier
Nellie M. Sanders, Q.C.
David S. Schafer
Frank G. Smith, Q.C.

During the year under review the following barristers were appointed Queen's Counsel:

Albert L.F. Clearwater
Lawrence R. Crane
Donald R. Knight
Colin R. MacArthur
David Margolis
Randolph B. McNicol
Bruce H. Miller
Sheldon E. Pinx
Randal T. Smith
P. Colleen Suche

Appointed Queen's Counsel by the Federal Minister of Justice:

Peter M. Kremer

SOCIETY'S COMMITTEES

At their meeting of May 31, 1990, the Benchers established the following committee memberships to serve the Society until May, 1991.

Note: The President and Vice-President are ex-officio members of all committees except the Judicial Committee.

Executive and Finance

MacArthur (Chairperson)
Little (Vice-Chairperson)
Abra
Cuddy
Dewar
Hamilton
Klein
McCaffrey
Scurfield
Taylor
Toal
Ward
Werier

Discipline

Abra (Chairperson)
Wood (Vice-Chairperson)
Allen
Combs
Deeley
Deutscher
Hamilton
Irwin
Klein
Little
MacArthur
Menzies
Miller
Morton
Neville
Pollack
Toal
Ward

Standards

Cuddy (Chairperson)
Monnin (Vice-Chairperson)
Bedford*
Christianson,*
Grewal
Leonoff*
Little
MacArthur
McGarry*
Neufeld
Teffaine*
Werier

Professional Liability Claims Fund

Abra (Chairperson)
Dewar
French*
Graham*
Hawranik
Little
MacArthur
Monnin
Suche

Judicial

McCaffrey (Chairperson)
McInnes (Vice-Chairperson)
Anderson, R.
Brodsky
Buchwald
Campbell
Chapman
Dangerfield
Duncan
Foster
Frayer
Gilmour
Haig
Lee
MacInnes, A.
Mirwaldt
Morrison
Pappas
Pauls
Rich
St. John
Schulman
Scurfield
Shead, W.
Sims
Sing
Suche
Sweatman
Weinstein

Admissions and Education

Hamilton (Chairperson)
Gilmour (Vice-Chairperson)
Little
MacArthur
Morton
Neufeld
Penner
Reich
Toal
Wiebe

Personnel & Fiscal Management

Dewar (Chairperson)
Combs (Vice-Chairperson)
Klein
Lee
Little
MacArthur
Neville
Shead, R.
Wood

Constitution

Taylor (Chairperson)
Sims (Vice-Chairperson)
Adams*
Deeley
Hawranik
Little
MacArthur
Proven*
Shead, R.

Public Relations

Ward (Chairperson)
Gindin
Little
MacArthur
Miller
Pollack
Werier

Reimbursement Claims Fund

Chapman (Chairperson)
McCaffrey (Vice-Chairperson)
Anderson, T.*
Foster
Gordon*
Mirwaldt

Legal Data Resources (Manitoba) Corporation Board - Appointees

Cherniack*
Coke*
Gillespie*
Neufeld
Shead, R.

Graeme Garson Fund

Shead, R.
Penner

Special Committee - Custodianships

Sweatman (Chairperson)
Crane*
Glowacki*
Leslie*
Ward

Special Committee - Prepaid Legal Services Plans

MacArthur (Chairperson)
Dewar
Little
McCaffrey

Special Committee - Judicial Committee Hearings

Dewar (Chairperson)
Foster
Lee
Little
Menzies
Neville
Wood

Special Committee - Discipline and Standards Procedures

MacInnes (Co-Chairperson)
Weinstein (Co-Chairperson)
Allen
Christianson*
Combs
Neville

Library Users

Irwin (Chairperson)
Pauls

Legal Aid Liaison

Mirwaldt (Chairperson)
Allen

Manitoba Law School Foundation - Appointees

Klein (Chairperson)
McCawley (Secretary/Treasurer)
Chapman

Manitoba Law Foundation - Appointees

Chapman
Olson
Taylor

Canadian Lawyers Insurance Association

Abra

* denotes non-bencher

Executive and Finance Committee

Colin R. MacArthur, Q.C.
Chairperson

The Executive and Finance Committee has general supervision and charge of all business of the Society. It has primary responsibility to manage the finances of the Society including the investment and expenditures of its funds.

In March of this year a break-even budget was tabled based on an annual assessment per member of 1991 - 92 of $2,035 representing an increase of $375 over the previous year. The reasons for the increase are varied but do reflect the increasing demand made of the lawyers in Manitoba to meet the responsibilities of self-government.

The Reimbursement Claims Fund is maintained to protect members of the public from defalcation of trust funds being held by a lawyer. It is to be maintained at a level of $750,000. Unfortunately, during the year 1990 - 91, there were a number of claims made against the fund which resulted in an assessment of $400 per member for 1991 - 92 to top up the fund to the required $750,000. The Law Society will continue in its efforts to protect the public. The profession, I am confident, will continue to conduct itself so that public confidence in the legal profession is maintained and enhanced.

The Law Society of Manitoba continues as a member of the Canadian Lawyers Insurance Association. The levy for this year included in the annual assessment was $1,010. The calculation of the assessment, in fact, was $1,208. However, because of the excess surplus in the Professional Liability Claims Fund and by reason of the good claims experience in Manitoba, the levy was reduced to $1,010 on the recommendation of the Society's actuaries. The amount paid by lawyers in Manitoba for compulsory coverage compares very favourably with, or is less than the levy made upon lawyers for compulsory insurance in those jurisdictions that are not members of the Canadian Lawyers Insurance Association.

The Law Society of Manitoba as part of its mandate of self-governance has the responsibility to discipline its members. At a special Benchers Meeting, the Society considered whether Judicial Hearings should be open to the public. The debate and resultant vote to open the Judicial Hearings to the public was reflective of the sensitivity of the Benchers to the role of the Society to conduct itself in a way to enhance the confidence that the citizens in this province repose in the legal profession.

The Federation of Law Societies Special Committee on the Inter-Jurisdictional Practice of Law submitted its final report at the mid-winter meeting of the Federation in February and was approved in principle by the Law Societies across Canada. The effect of the adoption of the report is to provide for the Law Society of Manitoba, as well as the other Law Societies in Canada, a blueprint as to how the inter-provincial practice of law can be facilitated and at the same time, the members of the public be protected when dealing with an out-of-province lawyer in the same way they would be had they dealt with a Manitoba lawyer. There has been a committee struck by the Federation of Law Societies to deal specifically with the implementation of the recommendations and the Law Society of Manitoba will participate as a member of that committee.

The Benchers approved an expenditure of $306,000 for the following work to be done on the Law Society Building. (1) An upgrade of the HVAC System, (2) Relocation the reception area of the Law Society to the main floor, (3) Reconfiguration of the space previously occupied by the Dental Association, (4) installation of a vapour barrier in the basement, (5) reconfiguration of the Bar Admission Lecture Theatre. The expenditure resulted from a report received by the Society that the quality of air within the building was well below an acceptable health standard by reason of an inadequate HVAC System. Additionally, there were several instances noted of security problems that, at least in part, were attributable to the configuration of the building. Lastly, the Benchers were advised that the present configuration of the main lecture theatre was inadequate for the needs of the Bar Admission Course. The construction work is scheduled to be carried out during the summer of 1991 and it is expected that the work will result in a much more functional and comfortable building for all who use the Law Society Building.

The Government of Manitoba gave notice to the Society that it was dissatisfied with the funding arrangement whereby the Society contributed $140,000 to the budget of the government for the maintenance of law libraries within the province. In April, 1991, the Society was advised that the government was considering the legislation which would reduce the grant the Law Society receives from the Manitoba Law Foundation for the educational purposes of the Society from 16 2/3% to 12%. In addition, the government proposed legislation whereby the Manitoba Law Foundation would be required to fund the government of Manitoba law libraries. It was indicated to the Society that the proposed legislation would be made retroactive. After intense negotiations, the Society voted to increase its contribution to the budget of the government law libraries this year to $180,000. In return, the government agreed not to proceed with the proposed legislation. Negotiations will be undertaken between the government and the Law Society with a view to formalizing a different arrangement than presently exists for the funding of the government law libraries in the province.

The above issues represent a diversity of challenges that the Benchers have faced this year. There are other issues not mentioned in this report that the Benchers have had to deal with over and above the normal and ordinary business of the Society. This year clearly gave emphasis to the fact that the responsibilities assumed by the Benchers in fulfilling their mandate in the governance of the profession is one that can only be discharged with the greatest of dedication and commitment. The increased demands made upon the Benchers necessarily result in increased demands on the non-professional and professional staff of the Law Society who continue to serve it and to discharge their responsibilities in a most conscientious and excellent manner.

Discipline Committee

Doug Abra
Chairperson

The Discipline Committee considered 433 complaints during the 27 meetings which it held between April 1, 1990, and March 31, 1991. In addition to reviewing complaints, the committee also considered 41 requests from lawyers for advice on matters of proper professional conduct; 16 spot audit reports and 37 matters which arose from From D Annual Accountants' Reports. The committee also considered 16 policy matters.

Complaints reviewed by the committee often contained more than one allegation of professional misconduct or conduct unbecoming a lawyer. The concerns most frequently expressed were:

(a)	Excessive fees	101
(b)	Lack of communication/failure to respond to requests for information	87
(c)	Delay	86
(d)	Breach of trust conditions or undertakings	26
(e)	Conflict of interest	23

The area of law in which a complaint arose was not always apparent from the information submitted. However, in the 373 complaints in which the area of law could be ascertained, 32% of the complaints related to civil matters; 31% concerned family law matters; 18% dealt with real estate matters; 11% related to wills and estates; 5% to corporate and commercial matters and the remaining 3% to miscellaneous matters.

Nine lawyers made assignments in bankruptcy during the year. Two of those held non-practicing certificates while the remaining seven were permitted to continue to practise subject to certain conditions pertaining to the handling of trust funds during their bankruptcies.

Fifty-three fee arbitrations were conducted by members of the Legal Fees Advisory Committee during the year. In 38 instances the fees were reduced by the arbitration panel and in 6 instances the fees were upheld. Another 9 arbitrations took place during the year but the decisions of the arbitration panels had not been received as of March 31st, 1991.

The Discipline Committee authorized charges against eleven lawyers and issued three formal cautions. The formal cautions all arose as a result of spot audits which disclosed breaches of the rules respecting accounts. In each situation the member was required to appear before the committee as soon as the problems were noted and was required to hire an accountant to bring his/her records into order. The committee then issued a formal caution to the member for having failed to comply with the Law Society's accounting rules.

The committee also issued two practice directions with regard to notice obligations when a lawyer leaves a firm and the withdrawal of complaints to the Law Society.

I would like to express my appreciation to members of the committee for their support and tireless efforts, and in particular to Bryan Klein who served as chairperson from June to December. I would also like to thank the Law Society staff for their contributions to the committee's activities throughout the year.

Standards Committee

Norm Cuddy
Chairperson

The Standards Committee held eight meetings in which it reviewed 30 complaints against 20 members.

The type of intervention most frequently used by the committee was the "fireside chat" wherein one or two members were appointed and met with the member complained of, reviewed the complaints and made recommendations. Eight subcommittees met with members throughout the year. A number of matters were dealt with by forwarding a letter to the member making recommendations and suggestions as to appropriate conduct. Four members were referred to continuing legal education programs pertaining to law office management, trust conditions and accounting rules. The committee also determined that a number of the complaints reviewed were not well founded and warranted no further action.

After reviewing the report of one subcommittee's meeting with a member, as well as a spot audit concerning his trust records, the committee resolved to authorize charges of incompetence. The member had been referred to the committee a few years earlier and a number of remedial steps had been attempted at that time. After receiving the member's undertaking to retire from practice the committee resolved not to proceed with the charges. However, in the event that he reapplies for a practicing certificate, he has undertaken to comply with any conditions or requirements the Standards Committee may impose at that time.

Another member who was the subject of several complaints was invited to appear before the committee to discuss the committee's concerns and allegations that the member was not competent to practice by reason of alcoholism. The committee resolved to obtain a Custodial Order of the member's practice when he failed to appear and accepted his undertaking to retire from practice a few days later.

In addition to considering complaints against members the committee also discussed a number of policy issues, including the disclosure of information to complainants, possible changes to the fireside chat rules, the power of the Standards Committee to suspend members on an interim basis and the relationship between the Standards Committee and the Professional Claims Liability Fund.

Judicial Committee

D'Arcy McCaffrey, Q.C.
Chairperson

- On March 26, 1990, the Judicial Committee found *Manly Wilfred Israel* guilty of professional misconduct in that he discouraged public respect for the administration of justice and brought the administration of justice into disrepute. In consequence, the Judicial Committee resolved that the member be reprimanded and pay costs of $300.00. (June 1990 Communique)

- On April 30, 1990 the Judicial Committee accepted a plea of guilty from *John Hunter Restall* with respect to professional misconduct in that he breached Law Society Rules 63(b) and 63(e) of the rules respecting accounts. In consequence the Judicial Committee resolved that Mr. Restall be assessed a fine of $2,000.00 and pay costs of $750.00. Payment of the fine and costs to be made within 30 days from the date of the hearing. (July/August 1990 Communique)

- On May 24, 1990 the Judicial Committee accepted a plea of guilty from *James Patrick Kelleher* with respect to professional misconduct in that he charged fees which were not fully disclosed, fair and reasonable. In consequence the Judicial Committee resolved that Mr. Kelleher be assessed a fine of $1,000.00 and pay costs of $300.00, both payable within 30 days. (July/August 1990 Communique)

- On July 5, 1990, *Kenneth Gordon Houston* accepted a plea of guilty to professional misconduct with respect to seven counts concerning matters where monies were paid as a retainer and fees were removed from trust when the services had not yet been rendered to the clients. In consequence, the Judicial Committee resolved that Mr. Houston be reprimanded and assessed costs of $250.00. (September/October 1990 Communique)

- On July 11, 1990 the majority of the Judicial Committee voted to quash a citation from the Discipline Committee on the basis that the Discipline Committee had not extended procedural fairness to the member in questions. (December 1990 Communique)

- A meeting of the Judicial Committee was convened on July 25, 26 and 27, 1990 to hold an inquiry into the conduct of a member concerning charges of (a) conflict of interest in representing two clients; (b) compromising the interest of one client over another in representing two clients; (c) failing to ensure the client received independent legal advice; and (d) failing to act in the client's best interest.

  The Judicial Committee reached a majority decision that the member was not guilty on all counts. (January 1991 Communique)

- On September 12, 1990 the Judicial Committee found *James Frederick Charles Rose* guilty of professional misconduct in relation to two separate matters. First, he stipulated a fee which was not fair in all of the circumstances in that he failed to provide an adequate explanation with respect to the fee likely to be earned prior to the execution of a contingency agreement and failed, prior to the execution of the contingency agreement, to disclose the degree of difficulty involved in resolving the dispute, the likelihood of success and the result likely to be obtained. Second, he stipulated a fee which was not reasonable in all of the circumstances in that he stipulated a fee based upon a contingency agreement which fee was unreasonable

in light of the reasonable expectations at the time the agreement was entered into as to the work which would be required to be done and the risk to be assumed by Mr. Rose by agreeing to perform the work pursuant to a contingency agreement; further the fee was based on an increased percentage rate based on the preparation of a Statement of Claim which was not required and Mr. Rose charged as an item of disbursement photocopying expenses based on a rate of forty cents (40¢) per page when he had not incurred disbursements in that amount. Third, having represented his clients concerning the purchase of property and having attended to the drawing and execution of a promissory note from his clients to a realty company relating to the purchase of property, he acted in a conflict of interest when he wrote a demand letter on behalf of the realty company demanding payment from his clients of the amount set out in the promissory note.

With respect to the second matter, Mr. Rose stipulated a fee which was not fair in all of the circumstances in that prior to the execution of a form of contingency agreement he failed to provide his clients with any adequate explanation with respect to the fee to be earned. Second, he stipulated a fee which was not reasonable in all of the circumstances in that it did not fairly reflect the extent and character of the services rendered, the results achieved and the professional skill and expertise called for.

The Judicial Committee also accepted pleas of guilty to three charges of conduct unbecoming a barrister and solicitor in that with respect to transactions involving the sale of property financed over time to certain individuals, Mr. Rose engaged in conduct inconsistent with the character and honourable nature of his profession.

In consequence, the Judicial Committee determined that Mr. Rose should be suspended from practice as a barrister and solicitor for a period of three months. Further, it was resolved that following his reinstatement to practise as a barrister and solicitor, Mr. Rose practise subject to conditions that:

- For a period of two years from the date of such reinstatement, Mr. Rose have all statements of account approved by a barrister and solicitor satisfactory to the Law Society of Manitoba;

- For a period of three years from the date of his reinstatement to practice, Mr. Rose not represent himself in any transaction where he is the vendor, purchaser, mortgagee, mortgagor or other party to a transaction in which one would normally retain a barrister or solicitor, nor represent more than one party in any transaction, nor act as a barrister or solicitor in any matter in which he is a party to the transaction.

The committee accepted Mr. Rose's undertakings to refund certain fees taken from clients and to file a Notice of Satisfaction and a Notice of Discontinuance with Prejudice with respect to two of the matters. In addition, Mr. Rose was ordered to pay costs in the amount of $2,500.00.

- On October 26, 1990 the Judicial Committee accepted a plea of guilty from *Allan Baker* with respect to professional misconduct in that he failed in his duty to ensure that his clients were not proceeding under the impression that their interests were being protected by their lawyer. Mr. Baker was charged with four counts of misconduct in this respect. The Judicial Committee resolved that Mr. Baker be assessed a fine of $100.00 with respect to each count for a total of $400.00 and costs of $70.00. (January 1991 Communique)

- On November 13, 1990 the Judicial Committee found *James Frederick Charles Rose* guilty of professional misconduct in that he charged a fee which was not fair and reasonable in light of all pertinent circumstances. Such fee had been significantly reduced by arbitration. The Judicial Committee resolved that Mr. Rose be suspended for a period of one month, such suspension to run concurrently with a suspension of three months which had been imposed on Mr. Rose by another panel of the Judicial Committee after a hearing held on September 12, 1990. Mr. Rose was also ordered to pay costs in the amount of $500.00. (January 1991 Communique)

- On November 13, 1990 the Judicial Committee considered an application from *Anthony Thomas Hammerling* to be reinstated as a member of the Law Society of Manitoba, pursuant to section 55 of *The Law Society Act*. The matter was heard before a panel of five members of the Committee. The panel declined to approve the application. (February 1991 Communique)

- On December 8, 1990, the Judicial Committee accepted a plea of guilty from *Paul Victor Walsh* with respect to a charge of professional misconduct in that he failed to answer with reasonable promptness professional letters and communications and failed to attend an Examination in Aid of Execution and failed to advise opposing counsel of his inability to attend. The Judicial Committee resolved that Mr. Walsh be assessed a fine of $2,000.00 and costs of $1,000.00. (February 1991 Communique)

- On December 11, 1990, *Michael Frederick Carrington Radcliffe* was found guilty of professional misconduct in that he failed to serve his client in a conscientious, diligent and efficient manner by failing to keep his client informed, failing to answer reasonable requests from the client for information, and failing to submit a prompt and complete report to the client when the work was finished.

  The committee ordered that counsel for the Society appoint another member of the Law Society to review the file with the client and Mr. Radcliffe to satisfy the client's concerns. The committee also stressed to the member the importance of reporting letters and keeping clients informed about their matters.

  The committee resolved that Mr. Radcliffe be reprimanded and ordered to pay costs of $300.00. (March 1991 Communique)

- On February 14, 1991, *Harry Joseph Rosenbaum* pled guilty to two counts of professional misconduct, in that he: (1) charged a fee which was not fully disclosed, fair and reasonable when acting for an estate; and (2) failed in his duty of competence and failed to provide a quality of service to his client, the personal representative of the said estate, by advising the client to make an investment which was not authorized by the terms of the will.

  In consequence the committee resolved that Mr. Rosenbaum be assessed a fine of $3,000.00 with respect to count (1) and $2,000.00 with respect to count (2). In addition, Mr. Rosenbaum was ordered to pay costs of $1,000.00. Mr. Rosenbaum was given one (1) year to make payment of the fines and costs. (April 1991 Communique)

On March 6, 1991, the Judicial Committee, as a whole, together with the Chairperson of the Discipline Committee, met to discuss ways and means of improving the operation of the Judicial Committee. The following agenda was discussed.

- Uniform practice re appeal periods and duty to give reasons;
- Costs and penalties - uniformity;
- Demeanor of the panel;
- Guidelines for reinstatement;
- Conflicts of interest of panel members and objections to the panel;
- Roles of Judicial and Discipline Committees;
- Jurisdiction of the Judicial Committee to examine fees;
- Consideration of allowing complainant to remain in hearing (with member's consent) after testifying [sections 49(10) and (11) of *The Law Society Act*.]

The committee has agreed to reconvene on May 1, 1991, to continue its discussion of these matters. Many committee members expressed the view that this plenary session was most useful.

As Chairperson of the committee, I thank those members of the profession who have taken time out from their busy schedules to serve on this committee.

Professional Liability Claims Fund Committee

Douglas Abra
Chairperson

The Professional Liability Claims Fund Committee met seven times in the period April 1, 1990 to March 31, 1991. Issues pertaining to insurance coverage caused considerable discussion over the year. Situations have arisen periodically where lawyers have been late in reporting claims or have refused to cooperate with the insurer in the investigation of claims. According to the insurance policy such action could result in a denial of coverage. However, a denial of coverage may result in undue harm to members of the public who have a legitimate claim against a lawyer and who deserve compensation. The committee has had to decide how best to handle such situations on a case by case basis. With the cooperation of the profession, hopefully such situations will not continue to arise in the future.

The committee also dealt with the question of hourly rates to be paid to lawyers who are retained by the Society to defend insurance claims. The committee recommended, and the Benchers adopted the following rates: a) $165 per hour for counsel 10 years or more at the Bar; b) $110 per hour for counsel 5 to 9 years at the Bar; and c) $70 per hour for counsel 1 to 4 years at the Bar.

The committee acts as the liaison between the Canadian Lawyers Insurance Association (CLIA) and the Law Society of Manitoba's insurance plan and therefore dealt periodically with issues pertaining to Manitoba's membership in CLIA. The most significant issue pertained to the question of whether CLIA's mandatory insurance coverage of $1,000,000 per lawyer should remain separate from the voluntary excess insurance coverage or should the two plans be pooled. It was resolved the two plans should continue to be separate in order that the mandatory insurance fund would not be put at risk by the excess insurance plan.

In conclusion, I would like to thank sincerely the members of the committee and the Law Society staff for their cooperation and dedication during the past year. It has indeed been a pleasure working with all of them.

Admissions and Education Committee

Barbara Hamilton, Q.C.
Chairperson

The Admissions and Education Committee met at least once per month over the year. The committee has responsibility in the following areas:

- Bar Admission Course
- Continuing Legal Education
- Admission Matters - resumption of active practice of members not currently holding active certificates and direct transfer from active practice outside of Manitoba.

Bar Admission Course

The 23rd Bar Admission Course began in May, 1989. Eighty-one students were enrolled in the course, two students withdrew and 79 students were called to the Bar on June 28, 1990 at the annual special sitting of the Court of Queen's Bench, held at the Centennial Concert Hall in Winnipeg.

The A. Montague Israels Prize for the outstanding student in the 23rd Bar Admission Course was awarded to Pascale - Sonia Roy by Justice Simonsen. The Student Bencher elected by the 23rd Bar Admission students was Donna Janovcik.

The 24th Bar Admission Course began in July, 1990. There were 83 students registered of whom three subsequently withdrew. The Student Bencher elected by the 24th Bar Admission students is Margaret Wiebe. The Course will end in May, 1991, with the Call to the Bar scheduled for June 20, 1991.

Skills training is now a major focus of the Bar Admission Course. Five skills interviewing, negotiating, drafting, advocacy and professional responsibility are integrated into the Bar Admission segments by means of simulated transactions. For the first time, Criminal Procedure was taught by dividing the class in half and having the students participate in simulated criminal proceedings for three consecutive days. Administrative Advocacy and Ethics and Professional Responsibility were also taught in a block fashion.

The majority of the Bar Admission material has now been entered on computer and significant portions have been completely rewritten to be directly applicable to Manitoba lawyers.

During the year the committee reviewed the Law Society's role in the placement of University of Manitoba law graduates in articling positions. At the Benchers Meeting on February 29, 1991 the following recommendation of the committee was approved:

> WHEREAS the Admissions and Education Committee has recently considered the history of the Law Society of Manitoba's commitment to the placement of graduates of the University of Manitoba, Faculty of Law in articling position in Manitoba;
>
> AND WHEREAS the Admissions and Education Committee wishes to remind the legal profession that its commitment to the articling component of the bar admission program and specifically the taking of University of Manitoba law graduates as articling students by members is essential to the bar admission program;

AND WHEREAS the Admissions and Education Committee wishes the Law Society of Manitoba to so remind the profession and to restate the Law Society's commitment by the following resolution:

IT IS THEREFORE RESOLVED THAT:

1. The Law Society of Manitoba and its members, in conjunction with the Faculty of Law, continue to support and endorse the articling program established by the Law Society of Manitoba;

2. The Law Society of Manitoba remind its members that for the articling program to continue to be effective to maintain the standards of the profession, it is necessary that the members of the Law Society of Manitoba be willing to take Manitoba law graduates as articling students and to provide them with ongoing supervision and tutoring during their articling year;

3. The Law Society of Manitoba and the Bench continue to work with the Faculty of Law to arrange for the placement of Manitoba law graduates in articling positions;

4. The Law Society of Manitoba and the Bench, whenever necessary, use their best efforts to assist Manitoba law graduates desiring to article in Manitoba during the year following their graduation to find articling positions within the Province of Manitoba which will provide appropriate supervision and reasonable remuneration during the articling year.

The committee started an ad hoc subcommittee to review the Law Society of Upper Canada's proposals for articling reform and in particular the Law Society's current practice of approving principals for articling students. This subcommittee is chaired by Mr. John Neufeld and will report to the committee in the fall of 1991.

The committee continued to work with the University of Manitoba law school for the mass articling interviews in October, 1990. The feedback by the profession, through the committee, is general support for the program to match students to law firms.

Continuing Legal Education

A committee under the chairmanship of Mr. Justice Schwartz was struck by and through a joint recommendation of the Admissions and Education Committee and the Standards Committee. The mandate of the committee was to examine the future role of Continuing Legal Education in Manitoba. The committee submitted its report to the Admissions and Education Committee in May, 1990. The report and its recommendations were adopted in principle by the Bench in August, 1990. The Legal Studies Department has begun the task of implementing those recommendations which include, amongst other items, the development of a multi-year curriculum, the appointment of local C.L.E. coordinators in Brandon and Northern Manitoba and remedial C.L.E.. In particular, the department has begun the development of a sequenced curriculum for Continuing Legal Education. Advisory committees have been formed in the areas of Tax, Computers and the Law and Advocacy training. The Advocacy curriculum was approved by the Admissions and Education committee in March, 1991.

Additional computer equipment was purchased to allow materials to be produced in a more professional manner and to give the Publications Editors access to computerized legal research facilities.

Continuing Legal Education programs have continued to increase in number and in quality. A total of 34 programs were planned and presented this fiscal year. A successful series entitled "Bridging the Gap" was introduced for the first time. The series is directed at young practitioners (articling to five years) and consists of one lunch hour program each month. Programs were presented mostly in Winnipeg but were also presented in several other locals throughout the year. The Legal Studies Department, upon recommendation of the Standards Committee, has established a seminar course on trust conditions, which has been taught three times to date by Mr. Herb Peters.

The Legal Studies Department jointly with the Manitoba Bar Association organized a very successful mid-winter program devoted to the issue of Computers and the Practice of Law.

A summary of presentations offered from April, 1990 to March 1991 follows. In addition, Legal Studies published a catalogue of all written publications available for sale. The catalogue will be updated and issued twice per year to the profession. Anyone interested in obtaining a copy may phone Legal Studies and a copy will be sent out to them.

Admission Matters

The committee considered 13 applications for resumption of active practice and eight applications for transfer from active practice outside of Manitoba.

I wish to extend my thanks and appreciation to Freda Steel, Director of Professional Education and Eve Finnbogason, Assistant Director of Professional Education for their support and hard work and for their dedication to improve continually the education programs available to the profession.

I also wish to extend the thanks and appreciation of the committee to all the lawyers who gave so generously of their time and expertise to participate in the Bar Admission Course and Continuing Legal Education programs. The involvement of the profession is key to the success of these programs.

C.L.E. Seminars - April 1, 1990 to March 31, 1991

Name of Program	No. of Registrants	Cost	Revenue from Program Including G.S.T.
Understanding Computer Title Searches • April 3, 1990	92	$20	$ 1,840.00
The G.S.T. and Your Practice • April 19, 1990	136	$40 30 20(m)	4,760.00
Parenting Arrangements • April 21, 1990	53	40	2,120.00
The Child as Witness • May 5, 1990	51	40	2,040.00
Hecla Island - Intensive Advocacy • May 9 to 12, 1990	23	425	9,775.00
Trust Conditions and Undertakings • May 16, 1990	12	50	600.00
Brandon Family Law/Estate Legislation Amendments • May 24, 1990	33	20	660.00
Family Law/Estate Legislation Amendments • June 6, 1990	166	20	3,320.00
The Best of C.L.E. (Northern Bar Annual Meeting) • June 15	15	40	600.00
The G.S.T. and Your Practice • September 12, 1990	92	40 30 20(m)	3,390.00
The Law of G.S.T. • September 12, 1990	101	40 30 20(m)	3,390.00
The G.S.T. and Your Practice (Western Bar Ass.) • September 14, 1991	36	30	1,080.00
D.N.A. Geonotyping	17	10	470.00
INNS OF COURT Pleadings & Motions • October 9 Discovery • November 13 Conduct of a Trial • December 4 Post Judgment Matters • January 8	22	125	2,750.00

Name of Program	No. of Registrants	Cost	Revenue from Program Including G.S.T.
Time Managment for Lawyers		75	
• October 2, 1990	77	65	5,195.00
Effective Writing for Lawyers		75	
• October 3, 1990	45	65	2,710.00
Effective Time Management for Secretaries			
• October 4, 1990	43	65	2,795.00
Pitblado Lectures - Public Interest v. Private Rights Strinking the Balance in Administrative Law			
• November 9 and 10, 1990	110	150	16,500.00
Computer Assisted Legal Research			
• December 7th, 1990	12	50	600.00
BRIDGING THE GAP SERIES		150 series	
• October 17, 1990 - Family Affidavits	60	20	1,870.00
• November 7, 1990 - Lawyers' Duties	40	20	1,480.00
• December 5, 1990	97	20	2,980.00
• January 8, 1991	56	60, 40 20, 21.40	1,480.00
• February 6, 1991	78	60, 20, 21.40	2,679.80
• March 6, 1991	27	21.40, 20	1,705.40
A.M. SERIES			
• February 5, 12, 19 & 26, 1991			
• March 5, 12, 19 & 26, 1991	56	150.00	8,400.00
Computer Assisted Legal Research			
• December 7, 1990	12	50	600.00
The Pas - The G.S.T. and Your Practice			
• January 17, 1991	17	21.40	363.80
Thompson - The G.S.T. and Your Practice			
• January 18, 1991	9	21.40	192.60
Preparing Land Titles Documents That Clear			
• January 24, 1991	67	21.40	1,433.80
*Computers and the Practice of Law C.L.E. Program for the Mid-Winter Bar	156	74/110.00, 1/15.00 77/145.00, 4/80.00 (total- 19,640.00)	9,820.00*
• February 1 & 2			
Cross Examination Module (Winnipeg)			
• February 14, 1991	5	107.00	535.00
Solicitor's Opinions in Commercial Transactions		48.15	
• February 21, 1991	95	37.45 21.40 (m)	3,953.65
		TOTAL:	$102,089.05

*Joint program for which profits were shared with the Manitoba Bar Association.

Constitution Committee

J.F. Reeh Taylor, Q.C.
Chairperson

The Constitution Committee has responsibility for considering allegations of unauthorized practice, and for considering and making recommendations to the Bench respecting proposed changes to the Rules and to *The Law Society Act*.

Unauthorized Practice

During the year now ending, the committee dealt with six matters under the general head of unauthorized practice, none of which gave rise to an apparent need to initiate prosecution. Letters were, however, sent to professional accounting organizations, pointing out that incorporation and corporate organization for a fee was, in the Society's view, an impropriety if performed by anyone other than a solicitor.

Shifting Sands

Despite, or perhaps because of, your committee's plea at the beginning of the year that statutory and rule changes be eschewed for a year or, at least, kept to a bare minimum, we have managed to demonstrate once more that we either are a remarkably inconsistent profession or are constantly striving for perfection: there were more amendments proposed than had been the case for some years - some initiated by the committee and the staff of the Society, some emanating from other committees or from the Bench as a whole, and one set of amendments made necessary by a ruling of the Court of Appeal in the McRoberts case.

Statutory Changes Recommended

Amendments to the following sections of *The Law Society Act* have been recommended by your committee:

Sections 50 and 54, so as to permit an appeal from an interim suspension of a member, by way of an application to the Queen's Bench for a judicial review of the Society's decision;

Section 57, so as to clarify the right of an articling student to appear as a junior with counsel and to participate in proceedings, subject to the approval of the presiding judge;

Section 53, in an attempt to clarify the rights of the Society to review a member's files that had not been the subject of specific complaints, as well as to consider prior complaints (no matter how originally dealt with) when considering or formulating charges of incompetence;

Section 53, further, in order to give a member or the Society the right to seek prerogative relief from the Queen's Bench respecting any proceeding or decision of the governing body or a committee thereof;

Section 54, further, by establishing a concurrent right of appeal to the Court of Appeal by either the Society or the member, from a decision of the Judicial Committee;

Section 47(9), to bring the Act into line with the Q.B. Rules by giving a client six months within which to apply for assessment of a member's bill, rather than the present three months;

Section 49, by adding a subclause to make clear the applicability of the normal rules of evidence in civil proceedings to hearings before the Judicial Committee, but permitting the receipt of affidavit evidence as prima facie evidence; also, to re-affirm the right of the member or

the Society to examine and cross-examine witnesses in the usual way - including the deponent of an affidavit received in evidence;

Sections 68 to 70, to provide that the Society's nominees to the Board of Manitoba Law Foundation be appointed on a 'staggered' basis rather than contemporaneously, so as to provide a measure of continuity;

Section 56(4), by deleting some language that seemed redundant - an unusually bold stroke!

Section 49, to open up Judicial Committee hearings to the public, while allowing that committee the discretion to hold all or part of the inquiry in camera upon proper cause being shown, and while prohibiting publication in the mass media of data that may identify the member unless there has been a finding of guilt.

Rule Changes Recommended

Amendments to the Rules of the Society were also recommended, as follows:

Rule 19(15), so as to allow disclosure to a complainant and the designated member of a formal caution given to a member by the Discipline Committee;

Rule 33, by deleting the former prohibition against outside employment of an articling student, but adding language to make it clear that the articling component of bar admission is eleven and one-half consecutive months of full-time articling service;

Rule 38(8), to delete the prohibition against the name of an articling student from appearing on the firm's letterhead;

Rule 67.1 and 76(1) and (2), to clarify the duties of members respecting closed files and trust funds, particularly when a member leaves the province or discontinues practice;

Rule 36(2), to clarify the procedure for, and the term of, admission of a non-articling student;

Rules 39, 39.1 and 39.2, related to the examination of and passing grades for students, automatic re-reads and the entitlement of a student to write supplemental exams;

Rules 37.1, 49, 49.1, 50, 65 and 68, being a bundle of amendments (some of which replace old Rules 20(3), 20(7), 20(10), 22(9) and 22(11.1)) which, read together with the relevant, proposed statutory amendments, affect the procedures of the Discipline, Standards and Judicial Committees, including certain right of appeal from the process or decisions of those committees and the steps to be taken when a complaint appears to be without substance or to merit no further action. These Rule amendments also allow a complaint, initially felt by Standards Committee to merit no further action, to be reconsidered as part of a subsequent investigation or charge if it seems to indicate a pattern of incompetence.

Numerous other matters have been considered by your committee but, we are relieved to report, no changes to the Act or Rules seemed called for in those cases, save only for an intended recommendation that the Arbitration Act be amended so as to make certain part of it inapplicable to the fee arbitration procedure of the Society.

The profession should be aware of the splendid work of the permanent staff of the Society, who make the members of its committees seem smarter than they often are, and who somehow manage to maintain their sense of humor and dedication through many hours of unadulterated tedium. We include, in that comment, our secretarial team as well as our professional staff.

Personnel and Fiscal Management Committee

Robert Dewar
Chairperson

There have been a number of issues that have arisen on the Personnel & Fiscal Management Committee over the past year, some of which are as follows:

- The committee met and approved the salaries of the non-professional staff for the year.
- The committee met and approved certain technical changes to the Law Society Staff Pension Plan.
- The committee met and approved professional staff salaries for the year. However in so doing the committee felt that there needed to be an improvement in the manner in which professional staff salaries were determined each year, and as a consequence has embarked upon a review of the professional staff with a view to implementing salary ranges and job descriptions for each position. That review is currently underway and it is hoped that a recommendation will be made to the Benchers in that regard at the beginning of September, 1991.
- The committee reviewed at first instance a report concerning the state of the Law Society Building. As a consequence of the report and our review of same, a subcommittee chaired by Bryan Klein was created in order to provide recommendations concerning that report. That subcommittee has provided those recommendations in turn to the Executive and Finance Committee who in turn have forwarded same to the Bench as a result of which Bencher approval has been given for renovations to the Law Society Building.
- There were also miscellaneous decisions dealing with staff which were made by the committee during the year including a decision to offer the Society's maternity leave program to a part-time professional staff member, and a decision to authorize a change in the pension of a retired staff member.

I wish to thank all the members of the committee who have served during this past year. In addition, I extend my appreciation to Ms. Deborah McCawley and Don Macri for their able assistance which they have provided to the committee.

Legal Aid Liaison Committee

Laurie Allen
Lore Mirwaldt

Co-Chairpersons

The committee met with Mr. Alan Fineblit, Executive Director of Legal Aid Manitoba, on one occasion in the past year and many telephone discussions were had on issues of concern to members of the Society. Of chief concern to members was the recent decrease in the tariff for some legal aid matters. The displeasure of our members was conveyed to Legal Aid. However, the decision to reduce the tariff was that of the provincial government and not that of Legal Aid Manitoba. Future response to such changes should take the form of communicating to the Government of Manitoba in conjunction with the Manitoba Bar Association. An invitation to have a joint meeting with the Legal Aid Committee of the Manitoba Bar Association has been extended and it is hoped that our combined efforts will yield some results.

Other issues discussed by the committee were mileage rates, disbursements, turnaround time on legal aid accounts and the future of the paralegal program. The committee wishes to extend its thanks to Mr. Fineblit for his candour and availability throughout the past year.

Public Relations Committee

Doug Ward
Chairperson

The Public Relations Committee has met six times during the past fiscal year. By far and away the most important decision that the committee made was to agree to continue to produce the nine informational brochures that are currently being published by the Law Society. Based upon a survey of the members and based upon the results of a campaign conducted on behalf of the Law Society by Infocentre Network Inc., it was clear that these pamphlets are in demand not only by the profession, but also by the general public. However, before incurring that cost, the committee also resolved to upgrade and update those pamphlets. The Legal Studies Department has been approached to provide a grant to cover the cost of the graphics and the cost of printing, and various members of the profession have been approached to volunteer to update the pamphlets. The Public Legal Education Activities (PLEA) program has agreed to provide a summer law student to assist the Society with this project.

Once the pamphlets have been updated, the committee will investigate translating them into French through the courtesy of the L'Institut Joseph Dubuc, and into the Cree and Saulteaux languages through the courtesy of the Court Communicators Program.

It is expected that the English version of the pamphlets will be ready for publication some time during the fall of 1991, and the translated versions will be available for publication as quickly as possible thereafter.

The committee also resolved that because of the increasing contact between officers of the Law Society and the media, not only the Chief Executive Officer and the Deputy Chief Executive Officer, but all incoming vice-presidents of the Law Society, ought to receive training in how to better deal with the media. During this current year, the Chief Executive Officer and the incoming vice-president of the Law Society will be attending a media workshop which is available through the Niagara Institute in Ontario. Hopefully, next year, the Law Society will approve the sending of the Deputy Chief Executive Officer and the then incoming vice-president to the same or a similar workshop. Thereafter, it is hoped that each incoming vice-president of the Law Society will be sent to either the same or a similar workshop.

The Manitoba Bar Association has pointed out to your committee that over the last several years there has been little interaction between the Manitoba Bar Association and the Law Society. It was resolved by the committee that all steps should be taken to improve that relationship. In that spirit, your committee resolved and the Benchers approved that a financial contribution be made to the Mid-Winter Meeting of the Manitoba Bar Association, and that the Law Society host a cocktail reception at the Annual Meeting of the Manitoba Bar Association to be held in June, 1991.

Unlike the Public Relations Committees of previous years, this year's committee was firmly of the view that the committee ought not to be disbanded. In fact, the activities of this committee have increased dramatically over that of previous years, not because this year's committee was more activist than in previous years, but because of the overwhelming number of public relations issues that are now coming before the Law Society for resolution.

Manitoba Law School Foundation

Bryan Klein
Chairperson

As Chairperson of the Board of Governors of the Manitoba Law School Foundation, I am pleased to present the annual report of the Foundation to the members of the Law Society of Manitoba.

The Manitoba Law School Foundation was founded by a private enactment of the Manitoba Legislature in 1965 for the purpose of the enhancement and advancement of the Manitoba Law School and for the advancement of legal education and research or other objects considered beneficial to or in the interest of the legal profession and the public.

The members of the Foundation are two nominees of the Law Society of Manitoba, two nominees of the Manitoba Law School, and one nominee of the Senate of the University of Manitoba.

During the past twelve months, the Board of Governors met three times.

The Foundation currently oversees the investment of approximately $175,000 of assets, $50,000 of which represents the capital of the Foundation's own endowment fund, $50,000 of which represents the Graeme Garson Fund, and $38,000 represents capital of specific funds that have been established over the years in respect of which the Manitoba Law School Foundation acts as custodian and trustee.

During the course of the year, the Foundation was involved in the following activities:

- The administration of the Graeme Garson Fund through the Graeme Garson Fund Advisory Board. This board recommended and the Foundation approved, certain financial assistance to four students in the Law Society Bar Admission Program;
- Approved prizes out of the various scholarship funds administered by the Foundation to students at the Faculty of Law who were the winners of such prizes after having attained exemplary scholarship standards;
- Funded certain expenses at the Faculty of Law.

Federation of Law Societies of Canada

Deborah McCawley, Q.C.
Chief Executive Officer

The Annual Meeting of the Federation of Law Societies of Canada was held at London, England, September 19 - 22, 1990 at the Institute of Advanced Legal Studies. David T. Hashey, Q.C. of Fredericton, New Brunswick was elected President for the year 1990 - 91 and Jean Brisset des Nos of Sainte-Foy, Quebec was elected Vice-President.

During the meeting a one day workshop was held on "Post 1992 Lawyers Mobility in Europe". The program included a keynote address by the Honourable Donald S. Macdonald, P.C., High Commissioner for Canada on "European Economic Union of 1992" followed by two panels, the first giving the governing bodies' perspective and the second the law firms' perspective.

The final report of the Inter-Jurisdictional Practice Committee, chaired by Jack L.T. Edwards, Q.C., was considered and each province and territory presented the results of their considerations over the previous year and areas of mutual agreement, interest and concern were identified.

The Mid-Winter Meeting of the Federation of Law Societies of Canada was held at Regina, Saskatchewan February 21-23, 1991. At that meeting it was decided that the Federation should constitute a national committee to study paralegals in light of the recently published Ontario Task Force on Paralegals and concerns raised by the various governing bodies. Alan MacInnes, Q.C., the Director from Manitoba/Saskatchewan, was appointed to chair the committee. Further discussion took place with respect to the Edwards' committee report on inter-jurisdictional practice and formal approval was given to the formation of an Inter-Jurisdictional Practice Implementation Committee. The Federation also agreed to express its concern with respect to the implications of the proposed federal legislation concerning money laundering. It was also reported that the Joint National Committee for Legal Education was planning a national conference on professional responsibility along the lines of the Legal Education conference held in Winnipeg in 1985.

The next Annual Meeting of the Federation will be at Calgary in August, 1991.

Legal Library Resources Users Committee

Eric Irwin
Chairperson

Legal Library Resources Users Committee is made up of Members from the Department of Justice (2), The Law Society of Manitoba (2), E.K. Williams Law Library and the Manager of Legal Library Resources Manitoba Department of Justice.

1990/91 Committee Members were:

Murray Conklin	- Department of Justice
Gail Mildren	- Department of Justice
Eric B. Irwin	- The Law Society of Manitoba
Brian Pauls	- The Law Society of Manitoba
Neil Campbell	- E.K. Williams Law Library
Marilyn Hernandez	- Manager, Legal Library Resources, Department of Justice

The committee, established in 1986, is responsible for overseeing all activities of the Great Library and Department of Justice's Library in Winnipeg, and the Court House Libraries in Brandon, Dauphin, The Pas and Thompson. Legal Library Resources is also responsible for all Department of Justice program offices throughout Manitoba plus the Provincial Court and Queen's Bench/Court of Appeal Libraries. The Manager of Legal Library Resources meets with the committee on several occasions throughout the year seeking advice in order to rationalize library services and collections.

The committee met on four occasions during the year. At its first meeting, June 29, 1990, Eric B. Irwin was named chairperson. The committee discussed the libraries' collection, funding issues and technology.

The libraries' new acquisitions were outlined to the committee and the ongoing work on the Manitoba Unreported Judgments Database was struck. A lawyer in each regional library center was named as contact person for the local bar.

A report by Norman Simms regarding his Library Resources Questionnaire was received and eventually a fax program for rural practitioners was established.

During the year the library resources Budget was the subject of considerable discussion. Committee members received substantial detail on the breakdown of the library budget.

A formal discussion was held between the Provincial Government and the Society regarding the Society's contribution and the role of the Law Foundation in library funding.

In closing I would like to thank the committee members for their attendance and attention, and Director M. Hernandez for her input.

Special Committee on Prepaid Legal Services

Colin MacArthur, Q.C.
Chairperson

The report of the Special Committee on Prepaid Legal Services was distributed to the Benchers in October, 1990 and considered at the December, 1990 meeting. The report made recommendations that the Society adopt guidelines for the implementation of prepaid legal services plans to operate with the province. The report was tabled for future consideration as at the time of consideration, the Benchers were advised no prepaid legal services plans were in operation.

The Benchers have been advised that prepaid legal services plans are now operating or it is intended that prepaid legal services plans will operate, within the province. The report of the Special Committee is to be considered at the June, 1991 Benchers meeting.

Special Committee on Custodianships

Alan Sweatman, Q.C.
Chairperson

The committee met on November 5, 1990 and on April 8, 1991. At its November meeting, the committee requested that the other Canadian Law Societies be contacted on two policy questions:

- On what basis are trust monies in a pooled trust account paid out to clients if there is a shortfall?
- What policies or practices are followed concerning the storage and destruction of files from seized practices?

The responses showed a wide variation in the treatment of trust monies depending on the case law followed in the various jurisdictions and the apparently conflicting case law decisions. The committee is of the view that there is not any one method that will be appropriate in each case. Evolving decisions may clarify the questions. The committee does not recommend any statutory amendments at this time.

As to the storage and destruction of seized files, few jurisdictions appear to have any policy. The committee recommends that the recent practice direction issued to the profession in Manitoba serve as a guideline for seized files but with due recognition that such files are usually from "problem" practices and require careful consideration as to when they should be destroyed.

A draft report on the issue of custodianships with recommendations for specific statutory amendments is being prepared for consideration by the committee. When approved, that report will be referred to the Executive and Finance Committee for consideration before being referred to the Benchers.

Legal Data Resources (Manitoba) Corporation ("LDRC")

Ronald Coke
Chairperson

LDRC completed it's second fiscal year as at the end of April, 1991. While final audited results have not been received, it appears that the Corporation will post a profit of $5,000, after payment of all expenses, including payment of interest to the Law Society of Manitoba.

The year has been one of consolidation and "turn around" following the loss posted for LDRC's first fiscal year. This results most significantly from more realistic pricing of services and an increase in the number of clients. In addition, a significant contribution to the progress of LDRC during the past year comes from the efforts of the new Administrator of LDRC, Fiona Duncalf. Her progress in making the Corporation's administration run smoothly, providing on-site educational services and in facilitating advertising and speaker arrangements for the Mid-Winter Meeting of the Manitoba Bar Association, have been a major factor in putting LDRC on a solid foundation for the future.

During the past year, LDRC has undertaken the following:

- Expanded it's client base to a total of 214 firms;
- Provided "in-house" training for approximately 60 firms on the operation of LDRC;
- Provided "in-house" training at the Law Society of Manitoba with respect to computer programs used by the Law Society;
- Offered Decisions, Rulings, and Local Policy Memos of The Manitoba Securities Commission to members of the legal profession on computer disk;
- Served on the Steering Committee for the Mid-Winter Meeting of the Manitoba Bar Association, including assisting with computer equipment arrangements, arranging advertisers, and facilitating computer set-ups for speakers;
- Served on the Access-to-the-Law Advisory Group established by the Attorney General's Department;
- Provided electronic copies of judgments of the Court of Queen's Bench of Manitoba via modem to the U.B.C. Computers and Law Research Project.

It is expected that it will be possible for LDRC to expand upon the above activities in the next year, including providing additional database services to the legal profession.

The Corporation is interested in suggestions for improving its services and would be pleased to receive comments of members of the Society at any time.

Report of the Auditor-Inspector

Gordon Jones
and John McFarlane, C.A.

During the past fiscal year the Law Society of Manitoba continued to employ two Auditor-Inspectors, one of whom works full time, the other on a two-thirds time basis.

All firms with Pooled Trust Accounts are subject to spot audits on a rotating basis with inspections scheduled, at random, on a monthly basis. Routine audits have maintained a two-year cycle for some time with plans to reduce this period to eighteen months in the future.

A description of the duties of the Auditor-Inspectors are as follows:

- completion of routine spot audits as scheduled;
- special audits necessitated by qualifications on annual solicitors'/accountants' report (Form D);
- special audits scheduled by reports of practice difficulties or based on client complaints;
- return visits, after a reasonable period, to confirm compliance;
- available to visit new practitioners to discuss accounting requirements;
- consultations with office administrators and/or bookkeepers with regard to accounting systems or clarification of rules respecting accounts;
- consultations with individuals whose accounting designation permits them to complete the Form D on behalf of a law firm.

During the year ended March 31, 1991, the following were completed:

• Routine spot audits	157
• Special audits	16
• Assigned special audits	5
• Visits	91
• Consultations	32

Assigned special audits have required close to 57% of one of the Auditor-Inspector's time.

Areas in which law firms continue to experience difficulty concerning their accounting practices are:

- accounting for trust funds invested on behalf of individual clients ("specific trust investments");
- compliance with Rules as outlined in the practice direction relating to computerized trust account systems;
- old unpaid trust balances and stale-dated trust cheques;
- accounting staff adequately familiar with month-end reconciliation procedures; and
- fees charged on estates which exceed those permitted by Queen's Bench Rules.

The Auditor-Inspectors continue to work with law firms and their accountants to address these and other issues relating to law firm trust accounts and trust record systems.

Reimbursement Fund

Jack Chapman, Q.C.
Chairperson

The Reimbursement Fund was created pursuant to an amendment of *The Law Society Act*, passed on the 17th day of March, 1943. Section 37(4) of the *Act* requires the Benchers to make a yearly report to the Attorney General as to the Fund. The report made for the calendar year under review shows that an assessment of $150 was made for each member entitled to practise, that all members so assessed paid the assessment or the proper proportion thereof; that the total so paid was $245,400 and that during the year interest on investments and bank interest in the net amount of $34,057.77 was received.

The Benchers made an assessment of $400 for the practising year beginning the 1st of April, 1991.

As at March 31, 1991, the Fund stood as follows:

Investments at cost	$324,233
Due from General Fund	$163,553

For the year under review, the Benchers continued to insure the Fund. The principal provisions of the coverage were:

Term:	One year commencing April 1, 1990
Coverage:	A. $10 million any one loss B. $10 million annual aggregate
Deductible:	$750,000 annual aggregate
Premium:	$103,084 ($68.79 per member)

During 1990-91, the members of the Reimbursement Claims Fund Committee were Jack Chapman, Q.C. (Chairperson), Trevor Anderson, Q.C., Knox Foster, Q.C., Sandra Gordon and D'Arcy McCaffrey, Q.C.. The committee met a total of seven times during the year. As a result of recommendations from the committee, the governing body ultimately approved payment of the following claims from the Society's Reimbursement Fund:

Member	No. of Claims	Amount Paid
Donald Dunlop	7	$35,647.90(1),(2)
Terry McManus	2	900.00
Nestor Kripiakevich	4	228,419.25(3)
Harry Kohm	2	111,617.16(2)
Edward Partington	1	4,500.00
William Rachman	1	39,696.00
		$420,780.31

(1) claims approved in 1990-91 totalled $40,234.96, but were reduced by $4,587.06 repaid from 1989-90 claim.
(2) includes a contribution towards claimant's legal fees
(3) includes claim approved in principle although not yet paid

Deloitte & Touche

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AUDITORS' REPORT

To the Members of
The Law Society of Manitoba

We have audited the condensed balance sheet and the special purpose funds balance sheets of The Law Society of Manitoba as at March 31, 1991 and the statements of operations and fund equities of the General Fund, Reimbursement Fund, Legal Education Fund, Endowment and Trust Fund, Professional Liability Claims Fund, Legal Studies Program Fund, William Edward Driscoll Bursary Fund and Brian Pauls' Emergency Fund for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 1991 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Deloitte & Touche

Chartered Accountants

Winnipeg, Manitoba
May 24, 1991

THE LAW SOCIETY OF MANITOBA
(Incorporated under The Law Society Act of Manitoba)

CONDENSED BALANCE SHEET

	March 31	
	1991	1990
ASSETS		
GENERAL FUND		
Cash and term deposits	$ 856,458	$ 749,264
Funds held in trust	158,736	143,635
Accounts and interest receivable	52,828	35,030
Prepaid expenses	3,121	21,121
Loan receivable from LDRC (Note 7)	86,975	106,216
Investments, at cost (market value $735,158; 1990 - $662,343) (Note 2)	694,370	662,888
Pension accrual (Note 1)	34,308	25,813
Investment in Lawyer Excess Liability Insurance Manitoba Ltd., at cost	1,000	1,000
Fixed assets (Note 1)	1,131,049	1,131,049
	3,018,845	2,876,016
SPECIAL PURPOSE FUNDS (COMBINED)		
Due from General Fund	898,792	942,400
Accounts and interest receivable	78,287	51,733
Accounts receivable from the Manitoba Law Foundation	385,571	278,326
Prepaid expenses	100,413	116,450
Investments, at cost (market value $5,732,103; 1990 - $5,139,318)	5,369,984	5,147,635
	6,833,047	6,536,544
	$ 9,851,892	$ 9,412,560

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THE LAW SOCIETY OF MANITOBA
(Incorporated under The Law Society Act of Manitoba)

CONDENSED BALANCE SHEET

	March 31	
	1991	1990
LIABILITIES AND FUND EQUITIES		
GENERAL FUND		
Accounts payable and accrued liabilities	$ 335,789	$ 116,980
Funds held in trust	158,736	143,635
Fees paid in advance	229,850	278,950
Mortgage payable (Note 3)	802,888	831,393
Due to Lawyer Excess Liability Insurance Manitoba Ltd.	-	1,000
Due to Special Purpose Funds (Combined)	898,792	942,400
	2,426,055	2,314,358
Fund equity	592,790	561,658
	3,018,845	2,876,016
SPECIAL PURPOSE FUNDS (COMBINED)		
Accounts payable	118,720	117,385
Assessments paid in advance	146,156	86,690
Professional liability claims assessments paid in advance	679,415	789,975
Reserve for outstanding professional liability claims and associated costs (Note 4)	2,852,559	2,214,118
	3,796,850	3,208,168
Fund equity		
Reimbursement Fund	313,780	662,287
Endowment and Trust fund		
Billinkoff Loan Fund	1,555	1,470
Crawford Scholarship and Prize Fund	5,522	5,437
Professional Liability Claims Fund (Note 4)	2,354,338	2,473,977
Legal Studies Program Fund	356,605	181,197
William Edward Driscoll Bursary Fund	4,042	3,658
Brian Pauls' Emergency Fund	355	350
	3,036,197	3,328,376
	6,833,047	6,536,544
	$ 9,851,892	$ 9,412,560

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THE LAW SOCIETY OF MANITOBA

STATEMENT OF GENERAL FUND OPERATIONS AND EQUITY

	Year Ended March 31	
	1991	1990
REVENUES		
Annual fee		
Practising	$ 901,058	$ 844,314
Non-practising	26,475	21,428
Rental	115,361	131,464
Call and attorney fees	23,000	23,250
Administration fees	35,860	38,420
Administrative services - Professional Liability Claims Fund	75,000	75,000
Net investment income	46,155	51,053
Miscellaneous	56,601	40,785
Costs recovered - Discipline Committee	4,943	2,047
	1,284,453	1,227,761
EXPENSES		
Benchers' meeting expenses	47,928	42,912
Discipline Committee expenses	63,006	81,297
Foreign exchange loss on investments	-	4,038
Grant to C.L.E.A.	36,000	40,071
Grant to U of M Faculty of Law	5,000	25,000
Library grant	140,000	140,000
Mortgage interest	101,466	104,765
Other grants and prizes	22,335	27,126
Office equipment and maintenance	11,346	64,189
Other office and sundry expenses	99,579	101,805
Printing, stationery and postage	75,949	77,411
Professional fees	14,682	10,533
Property taxes	45,009	37,932
Public relations	4,643	979
Salaries and benefits	514,254	449,030
Travel	56,217	60,951
Utilities	15,907	16,814
	1,253,321	1,284,853
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	31,132	(57,092)
FUND EQUITY, BEGINNING OF YEAR	561,658	618,750
FUND EQUITY, END OF YEAR	$ 592,790	$ 561,658

Deloitte & Touche

THE LAW SOCIETY OF MANITOBA

STATEMENT OF REIMBURSEMENT FUND OPERATIONS AND EQUITY

	Year Ended March 31	
	1991	1990
REVENUES		
Annual assessments	$ 245,737	$ 160,731
Net investment income	32,447	58,685
	278,184	219,416
EXPENSES		
Claims	420,780	126,547
Foreign exchange loss on investments	3,102	5,653
Insurance	103,084	100,159
Salaries	99,725	95,243
	626,691	327,602
EXCESS OF EXPENSES OVER REVENUES	(348,507)	(108,186)
FUND EQUITY, BEGINNING OF YEAR	662,287	770,473
FUND EQUITY, END OF YEAR	$ 313,780	$ 662,287

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THE LAW SOCIETY OF MANITOBA

STATEMENT OF ENDOWMENT AND TRUST FUND OPERATIONS AND EQUITY

Year Ended March 31

	1991	1990
BILLINKOFF LOAN FUND		
Interest income	$ 85	$ 7
Fund equity, beginning of year	1,470	1,463
Fund equity, end of year	$ 1,555	$ 1,470
CRAWFORD SCHOLARSHIP AND PRIZE FUND		
Investment income	$ 412	$ 402
Less scholarship paid	327	475
Excess of revenue over expense (expense over revenue)	85	(73)
Fund equity, beginning of year	5,437	5,510
Fund equity, end of year	$ 5,522	$ 5,437

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THE LAW SOCIETY OF MANITOBA

STATEMENT OF PROFESSIONAL LIABILITY CLAIMS FUND OPERATIONS AND EQUITY

	Year Ended March 31	
	1991	1990
REVENUES		
Insurance premiums paid by members	$ 1,442,310	$ 1,506,778
Net investment income	465,239	422,207
	1,907,549	1,928,985
EXPENSES		
Adjusters' fees	125,441	169,723
Claims paid	302,120	378,116
Counsel fees	407,331	340,555
Foreign exchange loss on investments	19,328	28,631
Administrative services - General Fund	75,000	75,000
Other	56,160	43,084
Premiums	403,367	478,611
Reserve for outstanding claims and associated costs (Note 1(b) and 4)	638,441	114,118
	2,207,188	1,627,838
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUE)	(119,639)	301,147
FUND EQUITY, BEGINNING OF YEAR	2,473,977	2,172,830
FUND EQUITY, END OF YEAR (Note 4)	$ 2,354,338	$ 2,473,977

THE LAW SOCIETY OF MANITOBA

STATEMENT OF LEGAL STUDIES PROGRAM FUND OPERATIONS AND EQUITY

Year Ended March 31

	1991	1990
REVENUES		
Grant from Manitoba Law Foundation	$ 680,972	$ 578,000
Bar admission course fees	39,910	41,050
Legal studies lectures	75,066	43,825
Miscellaneous	22,664	17,648
Interest income	14,221	4,674
	832,833	685,197
EXPENSES		
Call ceremony	7,318	8,048
Furniture and fixtures	28,217	22,576
Grants	7,500	13,500
Honoraria to lecturers	57,422	58,792
Miscellaneous	13,266	8,458
Office supplies and stationery	28,133	25,622
Photocopying and printing	71,981	60,760
Rent - General Fund	101,157	105,603
Salaries	250,957	239,558
Seminars	50,633	22,207
Travel and professional development	16,895	9,783
Travel and lodging - students	23,946	28,950
	657,425	603,857
EXCESS OF REVENUES OVER EXPENSES	175,408	81,340
FUND EQUITY, BEGINNING OF YEAR	181,197	99,857
FUND EQUITY, END OF YEAR	$ 356,605	$ 181,197

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THE LAW SOCIETY OF MANITOBA

STATEMENT OF WILLIAM EDWARD DRISCOLL BURSARY FUND OPERATIONS AND EQUITY

	Year Ended March 31	
	1991	1990
INVESTMENT INCOME	$ 384	$ 363
FUND EQUITY, BEGINNING OF YEAR	3,658	3,295
FUND EQUITY, END OF YEAR	$ 4,042	$ 3,658

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THE LAW SOCIETY OF MANITOBA

STATEMENT OF BRIAN PAULS' EMERGENCY FUND OPERATIONS AND EQUITY

	Year Ended March 31	
	1991	1990
INTEREST INCOME	$ 5	$ 5
FUND EQUITY, BEGINNING OF YEAR	350	345
FUND EQUITY, END OF YEAR	$ 355	$ 350

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THE LAW SOCIETY OF MANITOBA

SPECIAL PURPOSE FUNDS
BALANCE SHEETS
ASSETS

	March 31	
	1991	1990
REIMBURSEMENT FUND		
Due from General Fund	$ 163,553	$ -
Accrued interest receivable	4,594	6,805
Investments, at cost (market value $344,933; 1990 - $812,439)	324,233	813,098
	492,380	819,903
ENDOWMENT AND TRUST FUND		
Due from General fund	1,665	94
Accounts and accrued interest receivable	412	1,813
Investment in term deposits, at cost	5,000	5,000
	7,077	6,907
PROFESSIONAL LIABILITY CLAIMS FUND		
Prepaid expenses	100,413	115,500
Due from General Fund	701,137	1,006,094
Accrued interest receivable	73,281	42,815
Investments, at cost (market value $5,382,170; 1990 - $4,321,879)	5,040,751	4,329,537
	5,915,582	5,493,946
LEGAL STUDIES PROGRAM FUND		
Due from General Fund	28,040	-
Accounts receivable	385,571	278,326
Prepaid expenses	-	950
	413,611	279,276
WILLIAM EDWARD DRISCOLL BURSARY FUND		
Due from General Fund	4,042	3,658
BRIAN PAULS' EMERGENCY FUND		
Loan receivable	-	300
Due from General Fund	355	50
	355	350

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THE LAW SOCIETY OF MANITOBA

SPECIAL PURPOSE FUNDS
BALANCE SHEETS
LIABILITIES AND FUND EQUITIES

	March 31	
	1991	1990
REIMBURSEMENT FUND		
Due to General Fund	$ -	$ 2,089
Assessments paid in advance	133,600	70,350
Accounts payable and accrued liabilities	45,000	85,177
Fund equity	313,780	662,287
	492,380	819,903
ENDOWMENT AND TRUST FUND		
Fund equity		
Billinkoff Loan Fund	1,555	1,470
Crawford Scholarship and Prize Fund	5,522	5,437
	7,077	6,907
PROFESSIONAL LIABILITY CLAIMS FUND		
Professional liability insurance premiums paid in advance	679,415	789,975
Accounts payable	29,270	15,876
Reserve for outstanding claims and associated costs (Note 4)	2,852,559	2,214,118
Fund equity (Note 4)	2,354,338	2,473,977
	5,915,582	5,493,946
LEGAL STUDIES PROGRAM FUND		
Due to General Fund	-	65,407
Accounts payable	44,450	16,332
Course fees paid in advance	12,556	16,340
Fund equity	356,605	181,197
	413,611	279,276
WILLIAM EDWARD DRISCOLL BURSARY FUND		
Fund equity	4,042	3,658
BRIAN PAULS' EMERGENCY FUND		
Fund equity	355	350

Deloitte & Touche

1. BASIS OF ACCOUNTING

a) Nature of organization

The Law Society of Manitoba is a not-for-profit organization incorporated by a special act of the Manitoba legislature. The Society follows the accrual method of accounting and has established separate special purpose funds for the administration of specific programs.

b) Reserve for outstanding claims

The Society records claims of the Professional Liability Claims Fund by accruing a reserve for outstanding claims and associated costs at March 31, 1991. The balance of the reserve at March 31, 1991 was $2,852,559 (1990 - $2,214,118).

c) Fixed assets

Fixed assets are composed as follows:

	1991	1990
Land	$ 257,501	$ 257,501
Building	873,547	873,547
Office equipment	1	1
	$ 1,131,049	$ 1,131,049

Land and the building are valued at cost while office equipment is valued at a nominal amount. Office equipment purchases are expensed in the year of acquisition. Depreciation expense has not been recorded in the financial statements.

d) Foreign currency translation

All investments maintained in United States currency have been translated into Canadian dollars at the exchange rate in effect at March 31, 1991.

e) Pensions

The cost of pension benefits earned by employees covered under the Society's defined benefit pension plan is charged to expense as services are rendered. Differences between the recorded expense and actuarial funding requirements are reflected in the General Fund balance sheet as a pension accrual (see Note 7).

2. INVESTMENTS

Investments consist of certain guaranteed investments, stocks and bonds and are recorded on the cost basis.

As in the previous year, the Society has continued to invest in certain equity and debt securities. Certain of these investments and related earnings have been aggregated in one pool and are allocated amongst the funds as follows:

	1991	1990
General Fund	10.12%	10.12%
Reimbursement Fund	5.12%	14.17%
Professional Liability Claims Fund	84.76%	75.71%
	100.00%	100.00%

3. MORTGAGE PAYABLE

The mortgage on the land and building due to The Great-West Life Assurance Company is secured by the property and assignment of rents. Interest is charged at 12.75% per annum compounded semi-annually. Monthly principal and interest mortgage payments of $10,856 commenced February 1, 1986 and continue for 10 years. The unpaid balance is due and payable January 1, 1996.

4. PROFESSIONAL LIABILITY CLAIMS FUND CONTINGENT LIABILITY

The Professional Liability Claims Fund operates to make available a source of funds for the payment of current and future claims, relating to errors and omissions, against the Society's members. The estimated amount likely to be payable by the Society with respect to claims in process at March 31, 1991 amounts to approximately $2,852,559 (1990 - $2,473,977) and has been reflected in the financial statements at March 31, 1991. The entire fund equity of $2,354,338 remaining is available to pay for future claims relating to errors and omissions.

4. PROFESSIONAL LIABILITY CLAIMS FUND CONTINGENT LIABILITY (continued)

As of July 1, 1988, the Society entered into a Reciprocal Insurance Exchange agreement with the Law Societies of Saskatchewan, Alberta, Nova Scotia, Prince Edward Island, New Brunswick and the Yukon. This new insurance entity known as the Canadian Lawyers Insurance Association (CLIA) is providing professional liability insurance coverage together with the Society's own fund on the following terms:

Limit of Member Entitlement	$1,000,000 per occurrence
The Law Society of Manitoba's deductible	$300,000 per occurrence (of which the first $5,000 of the claim is reimbursable from the member)
Stop Loss Limit	$1,875,000

Any coverage beyond the $1,000,000 is the responsibility of the individual member. If the Society reaches $1,875,000 in total deductible for the underwriting year the excess claims will be covered by the insurer.

In prior years, the Society advanced $96,950 to CLIA to fund their operations. The Society expensed these amounts in the financial statements but continues to be a CLIA subscriber with unallocated equity reported to their benefit at $552,349 at June 30, 1990. This amount has not been reflected in these financial statements.

From April 1, 1986 to June 30, 1988, the Society operated its Professional Liability Claims Fund without the benefit of any insurance coverage from external sources. The Society provided coverage up to a maximum of $250,000 with each member responsible for the first $5,000.

Prior to April 1, 1986, external insurance coverage was maintained which provided a $25,000 deductible clause for each claim paid with the first $5,000 being recoverable from the member.

5. REIMBURSEMENT FUND CONTINGENT LIABILITY

Claims against members of the Society arising from breach of trust and misappropriation of clients' funds are considered by the Benchers and at the discretion of the governing body certain amounts may be paid to the claimants. Any claim payments which may occur will be accounted for in the year payment is approved by the Benchers.

6. COMMITMENT

The Law Society of Manitoba has committed $306,000 to renovate The Law Society building in the 1992 fiscal year.

7. LEGAL DATA RESOURCES (MANITOBA) CORPORATION

Legal Data Resources (Manitoba) Corporation (LDRC) was established under the auspices of The Law Society of Manitoba to serve the members of the legal profession by facilitating access to data bases maintained by various provincial government offices.

LDRC experienced operating losses in its initial years of operations. However, the Society has received payment for all interest accruing on the loan during the year and expects to fully recover the balance owing from LDRC.

8. PENSION PLAN

The Law Society of Manitoba maintains a contributory defined benefit pension plan covering substantially all of its employees. The plan provides pension benefits based on length of service and final average earnings.

Actuarial reports prepared during the year, which were based on projections of employees' compensation levels to the time of retirement, indicate that the present value of the accrued pension benefits and the net assets available to provide for these benefits are as follows at March 31, 1991:

Accrued pension benefits	$ 643,943
Pension fund assets, at market value	$ 831,284

9. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform with the current year's financial statement presentation.